

DHR - ADMINISTRATION
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Ref: Legislative Analyst Issue #1
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Analyst's Issue #1:

THE DEPARTMENT SHOULD COMMENT ON HOW THIS TREND IS EXPECTED TO AFFECT THE ADMINISTRATIVE FUNCTIONING OF THE DEPARTMENT.

Department's Response:

The Department acknowledges the Analyst's concern regarding the increasingly high turnover rate at DHR State headquarters office. However, it is not surprising considering the fact that the Department has been focused on increasing staffing at the local level where direct service delivery is provided to the DHR customers.

The Department has emphasized filling local positions and making extra effort to request exemptions to hire as many positions as possible to address the issues in Child Welfare Services and focusing on stabilizing staffing levels in the Family Investment Administration. Central staff is currently aggressively filling vacancies as well. As such, Central vacancies will continue to receive as much attention as local ones in order to support the administration of the various DHR programs.

Also, it should be noted at times, backfilling positions in the Central office is slower than in the past. This is due, in large part, to the fact that the Department has made every effort to spare local departments from abolishments whenever possible. Because the Central office abolished so many positions, it is necessary to evaluate the best use for every vacancy rather than simply backfilling at the same classification and function as the vacancy. While this takes more time, it yields more effective results.

It seems ironic that the Analyst is concerned about Central capacity to assist local operations, while at the same time is making recommendations to reduce staffing at the headquarters administrative offices by seven (7) positions.

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Analyst's Issue #2:

THE DEPARTMENT OF LEGISLATIVE SERVICES (DLS) RECOMMENDS THAT FUTURE MFR SUBMISSIONS INCLUDE MEASURES RELATING TO SUCCESS IN DEVELOPMENT AND MAINTENANCE OF IT PROJECTS.

Department's Response:

The Department's Office of Technology for Human Services (OTHS) is currently working with the DHR Office of Planning to create new measures for OTHS, including those that demonstrate our ability to successfully deliver projects.

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Analyst's Issue #3:

DHR SHOULD PROVIDE THE COMMITTEES WITH THE COMPREHENSIVE INVESTMENT PLAN TO UPGRADE COMPUTER EQUIPMENT THROUGHOUT THE DEPARTMENT.

Department's Response:

The Department of Budget and Management (DBM) and the Department of Human Resources (DHR) have defined a 3-year lease purchase plan to purchase desktops and networked printers for DHR staff. This plan is predicated on the allocation of \$1,638,000 this year and a commitment to provide funding for the purchase for two additional budget years.

Specific to a comprehensive plan, there are approximately 8,000 PCs and laptops (including MD CHESSIE equipment), which need to be replaced. This equipment, on average, is more than 5 years old. By utilizing a lease purchase agreement and earmarking funds as part of technology refresh program, the Department will be in a position to ensure that workers will have the equipment they need. The Department continues to work with DBM on establishing a long-term strategy for equipment. The cores strategy resides in replacing the oldest equipment first, based on worker requirements, bandwidth access and Local Department needs. Please note that the funds allocated below for the lease purchase plan are specific to PC's and printers, and does not include network equipment. See the chart below for funding allocation.

Due Date	Fiscal	CHARGE TO AGENCY	
	Year	Amount	by Fiscal Year
January 1, 2007	2007	1,637,751	1,637,751
July 1, 2007		1,770,557	
January 1, 2008	2008	1,770,157	3,540,714
July 1, 2008		1,769,748	
January 1, 2009	2009	1,769,332	3,539,080
July 1, 2009	2010	1,768,907	1,768,907

Total	<u>10,486,453</u>	<u>10,486,453</u>
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Analyst's Issue #4:

DLS RECOMMENDS THE CONTINUED INVOLVEMENT OF THE GENERAL ASSEMBLY IN THE RIGOROUS SCRUTINY OF THIS MAJOR IT PROJECT. THE DEPARTMENT SHOULD SUBMIT A REPORT TO THE COMMITTEES AFTER EACH PHASE OF IMPLEMENTATION TO PROVIDE UPDATES ON IMPLEMENTATION ISSUES. THE DEPARTMENT SHOULD ALSO COMMENT ABOUT WHETHER MD CHESSIE IS LIVING UP TO ORIGINAL EXPECTATIONS AND THE NEED TO GET EVERY OFFICE CONNECTED TO NETWORK MARYLAND.

Department's Response:

MD CHESSIE is presently on time, scope, and budget. Original expectations are defined in the contract with the vendor. CHESSIE meets all functional requirements defined in the contract, and is "living up to original expectations" as defined by the Department. The Department will continue to provide updates to the Legislature as well as DBM regarding the progress of CHESSIE. Specific to NetWork Maryland, the migration from the DHR network to NetWork Maryland continues to be a critical step in ensuring that the network remains reliable. This is especially true for Western Maryland, Southern Maryland and the Eastern Shore.

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Analyst's Issue #5:

Finding 6: DHR DID NOT REVIEW PREVIOUSLY PAID CONTRACTOR COMPUTER BILLINGS TO DETERMINE IF THE CONTRACTOR HAD IMPROPERLY BILLED FOR CORRECTIONS MADE TO FIX PROGRAM MODIFICATION PROBLEMS COVERED UNDER CONTRACT WARRANTY PROVISIONS.

Department's Response:

In November 2004, the Office of the Inspector General conducted a review and fact finding mission and recommended that the Office of Technology for Human Services (OTHS) conduct its own internal technical review of the warranty work in question. As recommended, OTHS conducted its own internal review in December 2004. Based on their technical review, OTHS determined that the new code developed by the contractor and migrated into production was, in fact, modifications to existing software. It was not related to prior warranty work for existing software and therefore the contractor was entitled to be compensated. Documents of internal investigation are available for the auditor's verification and review.

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Analyst's Issue #6:

Finding 7: PROPER INTERNAL CONTROLS WERE NOT ESTABLISHED OVER THE PROCESSING OF PURCHASING AND DISBURSEMENT TRANSACTIONS.

Department's Response:

Audit Recommendation: We again recommend that DHR fully use the available FMIS security features by establishing independent online approval requirements for all critical purchasing and disbursement transactions. We advised DHR on accomplishing the necessary separation of duties using existing personnel.

The audit recommendation was implemented in June 2004.

With respect to purchasing transactions, the single DHR purchasing department in FMIS without an approval path was deleted in June 2004, when the auditors notified us that this department code existed. When FMIS was implemented DHR was instructed to include the code in the system for the purpose of establishing a hierarchical department structure in the system. After researching the finding, we found that no DHR FMIS user processed a critical purchasing transaction using this department code, and that this code was not required after all. Corrective action fully implemented.

With respect to approval of disbursement transactions, in June 2004 the Department implemented a 100% documented manual review of all disbursement transactions, an acceptable alternative procedure to the independent ADPICS approval paths on critical disbursement documents (direct vouchers). Corrective action fully implemented.

With respect to disbursement transactions and internal controls, in June 2004 the Department implemented the separation of duties between staff initiating and processing disbursement transactions, and staff establishing vendors on the system. Corrective action fully implemented.

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Analyst's Issue #7:

Finding 13: ACCESS TO DHR'S CRITICAL PRODUCTION DATA FILES AND DATABASES WAS NOT PROPERLY RESTRICTED.

Department's Response:

The audit recommendations were implemented in May 2004. The Office of Technology for Human Services (OTHS) Data Security Division is enforcing the requirement that all access requests for direct modification of DHR production data sets contain the required detailed justification. This information is being logged through security software reports generated by IBM/GS (see Finding 15: Data Access Security).

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Analyst's Issue #8:

Finding 14: DHR HAD NOT ESTABLISHED EFFECTIVE MENU SCREEN ACCESS CONTROLS OVER ELECTRONIC BENEFITS AUTHORIZED AND PAYMENTS PROCESSED.

Department's Response:

The audit recommendations were implemented in May 2004. The Office of Technology for Human Services (OTHS) Data Security Division continues to check CARES update requests for EBT trainers against the Electronic Benefits Transfer (EBT) prohibited secured tasks list thereby ensuring that there are effective menu screen access controls over electronic benefits authorized and payments processed.

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Analyst's Issue #9:

Finding 16: SECURITY REPORTING, REVIEW PROCESSES, AND MONITORING WERE INADEQUATE.

Department's Response:

DHR Office of Technology for Human Services (OTHS) Data Security Division continues to generate the reports. A non-security officer, effective June 1, 2005, has been given responsibility for reviewing these reports and implementing a process for jurisdictions to investigate and report findings and actions. DHR will document the reviews. DHR has submitted a request for access to the security settings to IBM/GS. Training to review these settings will be scheduled during the month of August 2005.

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Analyst's Issue #10:

Finding 20: ACCRUED FEDERAL FUND REVENUES TOTALING APPROXIMATELY \$22.6 MILLION COULD NOT BE SUBSTANTIATED.

Department's Response:

The Department has been proactive in addressing both the TANF and Title IV-E funding issues and is working to fully resolve them.

The Department reduced the TANF unfunded receivable from \$34.6 million to \$25 million in FY 2005. The Department is committed to eliminating the remaining balance over a three-year period, beginning in FY 2006, by taking the following steps:

1. Identifying general fund expenditures that can be funded with Federal TANF dollars and/or count toward the State's TANF MOE requirement.
2. Working with the Department of Budget and Management to identify additional general funds.

The Department is working with the U.S. Department of Health and Human Services (HHS) Region III Office to resolve outstanding issues related to the claiming of Title IV-E funds. Last year, the Department formed a working group to ensure the Department meets Federal rules and regulations related to Title IV-E. The working group met with HHS Region III on several occasions and is in the process of implementing changes agreed to by HHS Region III and the Department.

Once the Office of Inspector General (OIG) releases the audit report, the Department will review its contents and work with the Federal government and the Department of Budget and Management to address any unfunded receivable.

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Analyst's Issue #11:

Finding 22: ADEQUATE ACCOUNTABILITY AND CONTROL WAS NOT ESTABLISHED OVER DHR EQUIPMENT.

Department's Response:

The management of the Department's inventory process statewide was centralized within the Division of Administrative Operations' Fixed Asset Management Unit in February 2004. Property and Accountable Officers were identified for each local department and central administration, and on April 15, 2004, Officers attended mandatory training regarding property inventory processing and equipment operation.

A complete physical inventory was initiated in March 2004 and completed by the Fixed Asset Management Unit in June 2005. A master inventory control account has been established and currently maintained at the Department's central location.

The Department resolved inventory discrepancies for fiscal years 2001 and 2002 as of October 2003. Exception reports were completed and replies were received from the various local departments.

Detailed information pertaining to vehicles is maintained in the Department of Budget Management's Web Fleet Master automated system and is reconciled monthly to the Department's master inventory control account by the Property Officer.

The Department maintains the inventory of computer workstations at the total value of the workstation plus installed software when purchased. Subsequent software upgrades are considered by the Department to be maintenance expenditures and are not recorded in the detailed equipment records.

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Analyst's Recommended Action #10:

ADOPT THE FOLLOWING NARRATIVE:

STATUS REPORTS ON THE IMPLEMENTATION OF MD CHESSIE: THE COMMITTEES WOULD LIKE TO MONITOR THE DEPARTMENT OF HUMAN RESOURCES' (DHR) IMPLEMENTATION OF MD CHESSIE. AS SUCH, DHR SHOULD SUBMIT TWO STATUS REPORTS TO THE COMMITTEE FOLLOWING THE IMPLEMENTATION OF PHASE I AND PHASE II OF MD CHESSIE. DHR SHOULD SUBMIT THE FIRST STATUS REPORT ON JULY 1, 2006, AND THIS REPORT SHOULD COVER THE IMPLEMENTATION OF MD CHESSIE IN HARFORD COUNTY. THE SECOND REPORT SHOULD COVER PHASE II OF MD CHESSIE, AND THE REPORT SHOULD BE SUBMITTED THE EARLIER OF 30 DAYS FOLLOWING THE COMPLETION OF PHASE II OR NOVEMBER 1, 2006.

Department's Response: Agree

The Department agrees with the Analyst's recommendation to adopt committee narrative requesting status reports on the implementation of CHESSIE. Presently, the Office of Technology for Human Services (OTHS) provides the State Chief Information Officer (CIO), at the request of the Legislature, a quarterly CHESSIE project update. Additionally, we work with the Department of Budget and Management's (DBM's) assigned over site team on this issue. Please let us know what additional information the Legislature would like to have provided regarding the project. Presently, it includes project schedule, budget, and any issues that could impede project's success. Recommendations for adding Managing for Results (MFR) performance measures for project status and success are currently being developed in cooperation with DHR's Office of Planning. These new performance measures will be able to determine if OTHS is demonstrating the ability to successfully deliver projects.

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Analyst's Recommended Action #1:

REDUCE \$221,198 IN TOTAL FUNDS FOR TELEPHONE COSTS IN THE OFFICE OF COMMUNICATIONS. WITH THE REDUCTION, THE OFFICE OF COMMUNICATIONS WILL EXPERIENCE A MORE THAN 100% INCREASE FROM THE FISCAL 2005 ACTUAL EXPENDITURE.

Department's Response: Disagree

The Department disagrees with the Analyst's recommendation to reduce telephone costs in the Office of Communications on the basis of funds spent for this purpose in FY 2005.

In order to achieve a more fiscally prudent operation and more efficient service delivery, the Constituent Services Office (CSO), Subprogram 1a04, was incorporated into the Office of Communications – Subprogram 1a03. Thus, CSO was abolished. The CSO staff and their functions continue under the auspices of the Office of Communications. This action was necessary for improved expenditure monitoring and sound fiscal management. The FY 2007 Allowance in Departmental sub-object 0301 for the Office of Communications reflects the combined FY 2005 Actual total of \$236,198 (1a03 - \$7,207 and 1a04 - \$228,994) for both the Office of Communications and the Constituent Services Office. These funds are crucial to continue to provide the services needed by our customers. Any reduction to this fund will adversely affect service delivery.

PLEASE NOTE THAT THE COMMUNICATIONS OFFICE'S CONSTITUENT SERVICES OFFICE WILL ALSO BE RESPONSIBLE FOR THE OPERATIONS OF THE DEPARTMENT'S GROUP HOME HOTLINE. THE GROUP HOME HOTLINE IS A TOLL-FREE NUMBER THAT WENT INTO OPERATION ON MONDAY, JANUARY 30, 2006. THE PURPOSE IS TO GIVE COMMUNITY RESIDENTS A MORE DIRECT LINK FOR CONCERNS ABOUT STATE-LICENSED GROUP HOMES FOR CHILDREN. THE DHR CALL CENTER HOUSES THE HOTLINE, BUT CALLS THAT RAISE QUESTIONS OR CONCERNS ABOUT A YOUTH GROUP HOME WILL BE DIRECTED TO THE APPROPRIATE LICENSING AGENCY: DHR, DJS OR DHMH.

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Analyst's Recommended Action #2:

REDUCE \$115,930 IN TOTAL FUNDS IN APPROPRIATION FOR IN-STATE TRAVEL. THE FISCAL 2007 APPROPRIATION INCREASES THE FUNDING FOR THIS OBJECT BY 75%. WITH THE REDUCTION TO THE ALLOWANCE, THE OBJECT EXPERIENCES A 20% INCREASE FROM THE FISCAL 2005 ACTUAL.

Department's Response: Disagree

The Department disagrees with the Analyst's recommendation to reduce funding for In-State travel by \$115,930. The Analyst's recommendation was based on the significant increase in In-state Travel between the FY 2007 Allowance and the FY 2005 actuals. The bulk of the increase is related to the MD CHESSIE project. In FY 2005, funds for travel for MD CHESSIE were not budgeted because there were no significant travel needs during that fiscal year. However, for FY 2006, \$116,649 has been specifically appropriated for MD CHESSIE travel needs. Similarly, of the \$136,257 in the FY 2007 Allowance for in-state travel in the Office of Technology for Human Services (OTHS's) budget, \$118,933 represents funds earmarked for needed necessary MD CHESSIE travel activities.

The Travel funds for MD CHESSIE are for mileage, lodging and meals for MD CHESSIE Project Team staff including system's analysts, application leads, technical/development leads and a program manager to assist and guide the Local Departments of Social Services during training sessions, which will be held State-wide.

The proposed in-state travel reduction of \$115,930 will completely eliminate the travel funds needed to implement the MD CHESSIE project.

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Analyst's Recommended Action #3:

DELETE \$105,327 IN TOTAL FUNDS FOR FUNDING FOR 3.5 CONTRACTUAL POSITIONS IN THE DIVISION OF ADMINISTRATIVE SERVICES, THE OFFICE OF BUDGET, FINANCE AND PERSONNEL. THE NEED FOR THESE CONTRACTUAL POSITIONS HAS NOT BEEN EXPRESSED, AND THERE ARE REGULAR POSITIONS THAT HAVE BEEN VACANT FOR MORE THAN 12 MONTHS.

Department's Response: Disagree

All of these positions are critical for the continuation of the administrative functions at the Department's headquarter offices.

In FY 2006, the Department completes User Acceptance Testing (UAT), begins Pilot implementation of MD CHESSIE in selected Local Departments of Social Services (LDSS), initiates user training and starts statewide implementation in LDSS's when the remaining final phase of implementation is completed in November 2006. The related payment interfacing process in FMIS begins with the Pilot implementation phase of MD CHESSIE in February 2006 and will continue in greater volume as each LDSS is brought on-line with the system (21 of the remaining 23 LDSS's will "go live" in June 2006). Additional staff is needed immediately so that the recruiting, hiring and training process can be completed in a timely fashion to meet the demands of the additional accounting activities that will be generated by MD CHESSIE.

Due to independent approval requirements on critical disbursement transactions and FMIS security access restrictions, the payment interface to FMIS requires the involvement of three positions for the separation of duties: one to correct the batch for adjustments and corrections, one to append a transaction code to the batch for transmittal to the General Accounting Division (GAD), and the last one to actually transmit the batch and produce the transmittal documents. The Fiscal Accounts Technician will perform the duties of appending the interface with a transaction code for transmitting to GAD in Annapolis and the Advanced Accountant will perform the duties of correcting and adjusting the batch as necessary.

Fiscal Accounts Technician – 1 Contractual FTE

Existing staff is over utilized already, and will not be able to handle the processing of four additional interface batches at the Central Office that will be produced by the MD CHESSIE implementation. These payment interface transactions are estimated to be approximately 9,000 per month, in addition to vendor interfaces. This position is critical to the successful implementation of MD CHESSIE, and therefore the 100% funding that was provided in the FY 2007 Governor's Allowance is being requested for this contractual position for fiscal year 2007.

The Fiscal Accounts Technician duties will also include the verification and reconciliation of payment file summary and detail reports produced by MD CHESSIE to FMIS RSTARS. The position requires coordination with Social Service Administration (SSA) local resource workers for the correction of FEI/SSN numbers in processing the batch and Local Finance Officers for payment errors that cannot be fixed within the MD CHESSIE payment cycle timeline and must therefore be sent to the Local Automated Financial System (AFS) for processing.

Advanced Accountant – .5 Contractual FTE to 1 Contractual FTE

This position is critical to the successful implementation of MD CHESSIE, and is therefore being requested at a 100% contractual position for fiscal year 2007, which was also provided for in the Governor's Allowance.

This position will be responsible for overseeing the additional duties associated with MD CHESSIE vendor and payment interfaces to FMIS, and act as liaison to LDSS Finance Officers for MD CHESSIE payment interfaces to the Local Automated Financial System (AFS). The position will supervise the duties of the following DHR Central MD CHESSIE related positions: Vendor Coordinator, Group Home Accounts Receivable Coordinator, Interface Technician and Interface Supervisor. In addition, this position will oversee the assistance related reporting process from both the MD CHESSIE and AFS systems, reconcile those reports to the FMIS RSTARS, and assist the Local Finance Officers in reconciling the assistance bank account balances to the 302 Report cash balance sheets.

Accounting Operations Division (AOD) will process all accounts receivables for group home licensed vendors utilized by LDSS's. AOD will also process MD CHESSIE payment interface files and will respond to vendor payment inquiries on a statewide basis, and make certain that MD CHESSIE statewide vendor and payment interface files are completely processed in FMIS by correcting transaction errors and reconciling posted transactions to MD CHESSIE reports. The Advanced Accountant will also be responsible for responding to vendor inquiries as the Department contact on payment remittance advices.

Office Secretary III – 1 Contractual FTE

The Division of Administrative Operations (DAO) currently has two (2) full time clerical support positions. DAO provides core administrative services to our Department. The contractual position requested is used to support our Division's remaining operations: Field Operations (which includes Fleet Management and Emergency Operations), Office

of Real Estate (which includes Facilities, Real Estate Operations, and Asset Management & Inventory) and Support Operations (which includes Central Distribution Center, Mailroom, Stockroom, Forms, Graphics Media Center, Warehousing, and Mail Operations). This position will provide administrative support by fielding and routing telephone calls, composing correspondence and typing letters, memos, emails, forms, and/or reports to the Board of Public Works (BPW), the Department of General Services (DGS), the Department of Budget & Management (DBM), and the Comptroller's Office as needed by each Office by: 1) maintaining real estate lease portfolios, 2) assisting in the procurement, new construction or renovation of facilities, 3) identifying and rectifying lease compliance infractions reducing the number of Risk Management occurrences, and 4) tagging and verifying the location of all critical State provided equipment, 5) ensuring that guidelines established by DBM are met as they pertain to State Fleet policies and procedures, and 6) preparing audit reports on each Local Department of Social Services, metro Office's of Child Support Enforcement, and Department administrative and support facilities throughout the State.

Legal Assistant – 1 Contractual FTE (2 - .50 Contractual FTE)

The contractual position in the Office of the Secretary is classified as a Legal Assistant I position. This position will perform confidential litigation support, research, discovery and trial preparation to attorneys within the office to meet the increased appellate and trial litigation demands upon the Department of Human Resources and the Office of the Attorney General (OAG). This contractual position is cost-effective, because the attorneys are able to focus on complex legal issues and trials and are able to provide effective representation to the Department and the Local Departments of Social Services (LDSS's). Over the past year, the OAG has experienced an unprecedented increase in tort and personnel litigation. This litigation has required and will continue to require legal research and other support most efficiently provided by qualified law clerks.

This is a new position for the OAG. Past experience has shown that the OAG has been unable to attract sufficiently qualified law students as our office was in competition with private law firms who paid their law clerks. In addition, the volunteer law clerks the OAG has been able to attract were limited in the number of hours they could work. They needed to have paid employment elsewhere. The OAG needs regular law clerk assistance. The law clerks the OAG has hired this year are stellar and are able to work regular hours.

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Analyst's Recommended Action #4:

DELETE \$280,398 IN TOTAL FUNDS FOR 5 POSITIONS IN THE DIVISION OF BUDGET, FINANCE AND PERSONNEL. THESE POSITIONS HAVE BEEN VACANT FOR MORE THAN 12 MONTHS. THE POSITION TITLES AND PIN NUMBERS FOR THESE POSITIONS ARE PERSONNEL ASSOCIATE (075675), PERSONNEL ADMINISTRATOR (032028), FAMILY SERVICES CASEWORKER (078880), PERSONNEL ASSOCIATE (032285), AND ADMINISTRATIVE PROGRAM MANAGER (205712).

Department's Response: Disagree

The Department has identified these PINS for use in critical areas within the Headquarters administrative offices as follows:

032028

Personnel Administrator IV

This position has been filled. It was redeployed to OTHS for use as the Director of IT Planning. The Director of IT Planning oversees the project management office and IT enterprise quality assurance functions; interfaces with all programs regarding system enhancement and maintenance; facilitates all federal reporting; and manages all IT planning and disaster recovery efforts within OTHS for the Department.

032285, 078880

These positions have been identified for reassignment to the newly restructured Group Home Licensing unit under the Deputy Secretary for Operations. Announcement and advertisements for these positions have been posted and the review and interview of candidates will take place on a continual basis until all positions are filled. The new Director of this unit began employment with DHR on January 23, 2006 and will be actively involved in the development of the unit.

205712

THIS POSITION HAS BEEN IDENTIFIED TO BECOME THE DIRECTOR, OFFICE OF PROGRAM COMPLIANCE IN THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION. THIS POSITION WILL DIRECT PROGRAMS AND INITIATIVES THAT ENSURE COMPLIANCE WITH CHILD

SUPPORT PROGRAM REQUIREMENTS AND DATA RELIABILITY AND FACILITATES PERFORMANCE MEASURE ACHIEVEMENT IN ORDER TO INCREASE FEDERAL REINVESTMENT INCENTIVE EARNINGS. THESE FUNCTIONS WILL INCREASE ADMINISTRATIVE CONTROL AND OVERSIGHT OF THE CHILD SUPPORT PROGRAM, ESPECIALLY CASE PROCESSING, DATA RELIABILITY, FINANCIAL MANAGEMENT AND PERFORMANCE ACHIEVEMENT.

075675

This position works with the Hispanic Commission. Recruitment has been underway since February 2005. The selected candidate must be bilingual — proficient in written and spoken Spanish and English. Announcements were posted, eligibility lists created, and interviews conducted. However, no qualified candidates resulted from the first search. A second search is currently underway and we expect to make an offer shortly.

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Analyst's Recommended Action #5:

REDUCE \$65,000 IN TOTAL FUNDS IN MONEY TO UPGRADE COMPUTERS AT HEADQUARTERS. THE REDUCTION STILL PROVIDES FOR A 330% INCREASE OVER THE ACTUAL FISCAL 2005 SPENDING. WITH THE REDUCTION, THE COMPUTER UPGRADE INITIATIVE CAN BE SPREAD OVER FOUR YEARS, INSTEAD OF THREE YEARS.

Department's Response: Disagree

THE OFFICE OF TECHNOLOGY FOR HUMAN SERVICES (OTHS) HAS REQUESTED FUNDING TO UPGRADE COMPUTERS THE LAST FOUR BUDGET YEARS. WORKERS CONTINUE TO USE OLD AND OUTDATED EQUIPMENT OR IN SOME CASES HAVE TO SHARE COMPUTERS. THIS WILL CONTINUE TO HAVE AN ADVERSE IMPACT ON OUR ABILITY TO SUPPORT OUR SOCIAL WORKERS AND ULTIMATELY OUR MOST NEEDY CITIZENS.

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Analyst's Recommended Action #6:

DELETE \$64,973 IN TOTAL FUNDS FOR A PROGRAM MANAGER POSITION (PIN #032212) IN DIVISION OF ADMINISTRATIVE SERVICES IN FACILITIES SERVICES. THIS POSITION HAS BEEN VACANT FOR MORE THAN 12 MONTHS.

Department's Response: Disagree

This PIN is a vacancy within the Division's Office of Emergency Operations and serves as the Program Manager for the Department's Emergency Command Operations. The position oversees the mass care and sheltering of victims needs during times of disaster. Immediately following the massive flooding contributed to Tropical Storm Isabel in 2003 and Hurricanes Katrina and Rita disasters in 2005, the State experienced a mass influx of victims as they fled from their destroyed homes. The Department of Human Resources (DHR) is the lead agency responsible for coordinating this effort under the State's Emergency Operations Plan (SEOP).

Currently there are four support staff/field officers in this Office. This position is required to provide leadership and cabinet level decision-making needed at round table discussions regarding disasters. One of the Lessons Learned from Hurricane Katrina, the most devastating disaster our country has ever experienced, was that there is not a sufficient number of staff dedicated to Emergency Operations. Emergency Operations involves the creating and conducting of tabletop exercises, administering and overseeing long-term recovery following a disaster, and to ensure emergency preparedness is intact year round.

Allowing for the recruitment of this PIN would allow us to begin the revitalization of Emergency Operations within our Department.

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Analyst's Recommended Action #7:

DELETE \$48,013 IN TOTAL FUNDS FOR AN INCOME MAINTENANCE
SPECIALIST POSITION (PIN #205488) IN GENERAL ADMINISTRATION. THIS
POSITION HAS BEEN VACANT FOR MORE THAN 12 MONTHS.

Department's Response: Disagree

The Department request that this PIN not be abolished. This position resides with the Office of Technology for Human Services (OTHS) and has been reclassified and filled. This position was initially classified as a Human Service Worker IV and was recruited as such. An offer was extended to a qualified candidate in April 2005, but we couldn't meet the salary requirements. Because we couldn't secure a qualified candidate for the role, we reclassified the position to a computer network specialist trainee, retested to create an eligibility list, interviewed and hired. The new employee starts on February 1, 2006.

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Analyst's Recommended Action #8:

REDUCE \$64,000 IN TOTAL FUNDS IN APPROPRIATION FOR SOFTWARE LICENSES. THE INCREASED EXPENSE FOR SOFTWARE LICENSES CORRESPONDS WITH THE THREE-YEAR INITIATIVE TO UPGRADE COMPUTERS. EXTENDING THE INITIATIVE WILL REDUCE THE NEED FOR SOFTWARE LICENSES IN FISCAL 2007.

Department's Response: Disagree

This is a reduction to baseline expenditures. The software licenses in question are not operating software. They relate to servers and specialty software that is not part of the PC upgrade plan.

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Analyst's Recommended Action #9:

REDUCE \$242,293 IN TOTAL FUNDS IN APPROPRIATION FOR CONSULTING EXPENSES AND LEGAL FEES TO BE LEVEL FUNDED WITH THE WORKING APPROPRIATION FOR FISCAL 2006 AND A 40% INCREASE OVER THE ACTUAL FOR FISCAL 2005.

Department's Response: Disagree

The Department agrees to hold funding for consultant fees and legal expenses to that of the FY 2006 working appropriation level except the \$75,000 needed for consultant fees for Grants Management. Justifications for this funding is outlined below:

The Department relies heavily on federal funds to accomplish its mission. Hiring a consultant to help the Department maximize federal funds is key to maintaining and enhancing the services provided by the Department. As federal resources become increasingly scarce, it is even more critical for the Department to take advantage of every funding opportunity. Hiring expert consultants is the most cost effective way to seek increased federal funding. The Department realizes the importance of increasing its federal revenue streams and has initiated steps to hire a consultant in FY 2006 to begin identifying and developing strategies to maximize federal revenues. Grants Management will then work with the Program Administrations to implement the initiatives. Examples of projects include the following:

1. Identify revenue streams that are underutilized;
2. Ensure the state's cost allocation plan maximizes federal revenue;
3. Revise state plans submitted to the federal government to increase flexibility and funding opportunities, and meet program objectives;
4. Provide technical assistance to the Department;
5. Improve program operations;
6. Improve and expand the use of databases to maximize federal funds and reduce audit findings.